

NDA ESTATE SME STEERING GROUP – SOUTH

Meeting 9: 29 Sept 2015 - Aquila Nuclear Engineering, Twyford Hants

MINUTES

Attendees

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| SMEs: Chair: Neil Foreman (NF) – Centronic Mark Liddiard (ML) – HR Wallingford Wes Harford (WH) – AM Sensors Steve Spencer (SS) – Priory Construction Michael McCormack (MM) – Portsmouth Aviation Dave Barker (DB) - Aquila Nuclear Engineering | Tier 2s: John Bloodworth (JB) – KDC Mike O’Neill (MO) – Interserve |
| | Other/Support Organisations: Chris Squires (CS) – EDF Ray Chegwin (RC) – Knowledge Transfer Network |
| | SLCs: Stephen Bennett (SB) – AWE Andrew New – (AN) Magnox Helen Perthen – (HP) Magnox |
| | NDA: Pippa Kelly |
| Apologies: Ron Gorham – NDA, Mark Sharpe – Oxford Technologies, Steve Jenkins – Force One Ltd, Jeremy Sneddon – Provelio, Dave Dougan - Baker Dougan, John Mason - Antech | |

1 Welcome and Introductions

Due to an unexpected visit to Japan, Mark Sharpe had to stand down Oxford Technologies as a venue for the meeting and thanks given to both Mark Liddiard and Dave Barker for offering at the last minute. Next meeting should be held at Oxford Technologies.

2 Update from NDA - RG was unable to attend at the last minute therefore this item was dropped from the meeting and the Agenda rearranged.

3 Presentation by Ray Chegwin – Knowledge Transfer Network

The Knowledge Transfer Network (KTN) are a government funded (BIS) body tasked with speeding up innovation, solving problems and find markets for new ideas. They are a key link between Innovate UK and businesses from SME’s to larger companies but with the focus on the SME community. The group is structured to focus on 23 ‘Special Interest Groups’ and 16 ‘communities’. The purpose of the KTN is to create links between entrepreneurs and innovators and the various industries that could find an outlet for their ideas and provide funding through linking to Innovate UK.

Membership is free via the website : www.ktn-uk.co.uk Details of the presentation are available on the KTN website and a link will be also be posted on the NDA Supply Chain LinkedIn page.

NF raised the issue of IP ownership and RC confirmed that whilst it should sit with the Innovator, this should always be confirmed at the outset of any working relationship.

Action : PK to discuss internally with SD and Melanie Brownridge the possibility to promote the KTN at the NDA Supply Chain Event in November.

4 Presentation by Dave Barker – Early Engagement experience with Sellafield

DB presented the experience of Aquila during an Early Engagement process with Sellafield on Glovebox in conjunction with NIS, both experienced suppliers of Gloveboxes to the Nuclear Industry including the NDA Estate. The purpose of the engagement process is to challenge the specifications, terms and conditions, and working practices of Sellafield for all Glovebox utilisation

across SL. The objective is to make category management for gloveboxes attractive to the supply base such that Sellafield can secure a long term commitment from them-

Aquila produced 4 reports covering the 6 key aspects which all parties agreed would have medium to high impact on the success of Category Management. These 6 key aspects were Collaboration, Terms & conditions, forward commitment, early design engagement, 3D design and welding techniques. Aquila highlighted significant concerns with the process and wanted the group to consider how they should proceed. In summary, if Sellafield continue with this approach they will alienate the “best in class” for these products/projects rather than embrace them.

Action : HP (as the SLC representative) and PK (for NDA) asked DB for permission to raise this with the Commercial Director at SL. This will now be taken forward outside the public arena.

5 CFP/Magnox Progress Update – HP & AN

HP gave a brief explanation of the background to the change in PBO (Parent Body Organisation) from Energy Solutions at Magnox and Cavendish at RSRL to Cavendish Fluor Partnership – handover officially took place on 1st Sept 2014 and has been followed by a period of consolidation including merging RSRL and Magnox into one business. The nature of the contract has changed from Cost Reimbursable to Target Cost and during this period Magnox (and CFP) have been re-evaluating the plans produced during the Bid process and where necessary making changes. Currently 5 of the 12 sites have been through this process and the final 7 hope to be completed by end of 2015. During and following this process some contract work may be deferred whilst other work may accelerate and some may be stopped altogether. HP understands fully that the Supply Chain are feeling very concerned with the changes and have expressed their frustration with the lack of communication from Magnox over the last year.

AN then continued to explain the changes that will take place within the Commercial/Procurement departments. The Procurement dept is facing a radical change in how it is structured and this is taking time to implement. This change has necessitated a dramatic slowdown in work being allocated. The restructure will mean in future work will be planned by a Category Manager across all sites. Key to the restructure will be the move towards 3 procurement functions for Waste, Decommissioning and Ponds and Silos and each of these will be responsible for their own supply chain. QS moves from the Commercial function and become a separate and more strategic dept. The advantages of this change in structure will allow companies with particular expertise to work across multiple sites with work being scheduled to avoid conflicting deadlines. This should encourage more SME involvement at multiple sites.

Internal changes are still being consulted upon with Staff and Unions and it is to be understood that communication from staff members is unlikely until this dramatic change has started to take form. AN hopes that these consultations should be completed by the end of the year and final structures complete by end of March 2016 - however it will take some time for the department to be functioning efficiently and to expectations.

CFP/Magnox will be clarifying the planned ‘end state’ for each site and the new mantra to be taken forward is ‘adequate for purpose’ hence over specification will no longer be tolerated.

Comments from the committee were that they now understand much better the process and reason for the lack of work emerging and the changing timeframes, however communication has still been very disappointing and much heartache could have been tempered if this message had been released sooner.

HP confirmed that this will be the basis of Andrew's presentation during the afternoon of the NDA Supply Chain Event on 4th November.

6 Case Studies relating to CFP/Magnox engagement

Many of the concerns highlighted in a document circulated to the committee were addressed as part of the discussion following the update above. It was decided that no further discussion was necessary on this subject for now.

7 Sharing Best Practice

DB gave a brief overview of a case study at Magnox on Chute Silo waste moves. Details will be posted once clarified.

6 NDA Supply Chain Event 2015 - PK

PK updated the group on the latest number of registrations to the event, and that all stands had now been allocated and 39 stands being occupied in the Innovation Zone. The NDA Mentor Scheme will be holding a mid-year review – details to be finalised – the day before the event and anyone exhibiting will be expected to set up on 3rd November as no access will be allowed to the hall on the morning of the event. Also confirmed to be exhibiting will be UKTI, MOD and many others. Presentations in the morning will be by Rear Admiral Mike Wareham, John Clarke (NDA) and the Minister (name tbc). During the afternoon presentations by the SLC's, Shared Services Alliance and potentially MOD will be made in a smaller hall on their procurement plans.

7 EDF - CS

Currently work is progressing on the Hinkley financing with involvement from China. Work on site is not likely to start again until Spring when the ground works will continue and it is anticipated that there should be no further hold ups until completion of the final stage. Preferred bidders have been announced for the major contracts however nothing will be progressing further until the financial arrangements have been completed. It would be worth any company contacting these preferred bidders in advance however to understand the possibility of any work within these contracts.

The new project at Sizewell, Suffolk is under 4 stages of consultation, the first having been completed, the next will be in 2016. No further information is available for who would be potential partners for this project.

Plans for a new reactor in Bradwell, Essex are only in the discussion phase and the UK Government has announced it has been discussing possibilities with the Chinese Government.

Date of Next Meeting: planned for Jan 2016 in Oxford Technologies – PK to send out a Doodle request